

Public Employee Retirement System

| DIVISION SUMMARY: | FY 2002 Total Appr | FY 2002 Actual | FY 2003 Total Appr | FY 2004 Request | FY 2004 Gov Rec | FY 2004 Approp |
|--------------------------------------|-------------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|---------------------------|
| BY PROGRAM | | | | | | |
| Administration | 5,260,600 | 5,055,900 | 5,461,600 | 5,491,300 | 5,417,000 | 5,417,000 |
| Portfolio Investment | 645,900 | 427,700 | 628,900 | 644,300 | 636,400 | 636,400 |
| 401(k) Administration | 7,700 | 3,700 | 7,700 | 0 | 0 | 0 |
| Total: | 5,914,200 | 5,487,300 | 6,098,200 | 6,135,600 | 6,053,400 | 6,053,400 |
| BY FUND SOURCE | | | | | | |
| Dedicated | 5,914,200 | 5,487,300 | 6,098,200 | 6,135,600 | 6,053,400 | 6,053,400 |
| Percent Change: | | (7.2%) | 11.1% | 0.6% | (0.7%) | (0.7%) |
| BY EXPENDITURE CLASSIFICATION | | | | | | |
| Personnel Costs | 3,146,100 | 2,919,900 | 3,160,300 | 3,234,300 | 3,214,200 | 3,214,200 |
| Operating Expenditures | 2,656,600 | 2,404,500 | 2,823,400 | 2,786,200 | 2,724,100 | 2,724,100 |
| Capital Outlay | 111,500 | 162,900 | 114,500 | 115,100 | 115,100 | 115,100 |
| Total: | 5,914,200 | 5,487,300 | 6,098,200 | 6,135,600 | 6,053,400 | 6,053,400 |
| Full-Time Positions (FTP) | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 | 63.00 |

In accordance with Idaho Code §67-3519, this division is authorized no more than 63.00 full-time equivalent positions at any point during the period July 1, 2003 through June 30, 2004 for the programs specified.

| | FTP | Gen | Ded | Fed | Total |
|---------------------------------------|--------------|------------|------------------|------------|------------------|
| FY 2003 Original Appropriation | 63.00 | 0 | 6,098,200 | 0 | 6,098,200 |
| Removal of One-Time Expenditures | 0.00 | 0 | (224,500) | 0 | (224,500) |
| FY 2004 Base | 63.00 | 0 | 5,873,700 | 0 | 5,873,700 |
| Personnel Cost Rollups | 0.00 | 0 | 53,900 | 0 | 53,900 |
| Inflationary Adjustments | 0.00 | 0 | 0 | 0 | 0 |
| Replacement Items | 0.00 | 0 | 130,100 | 0 | 130,100 |
| Nonstandard Adjustments | 0.00 | 0 | 3,400 | 0 | 3,400 |
| Change in Employee Compensation | 0.00 | 0 | 0 | 0 | 0 |
| FY 2004 Program Maintenance | 63.00 | 0 | 6,061,100 | 0 | 6,061,100 |
| Enhancements | 0.00 | 0 | (7,700) | 0 | (7,700) |
| FY 2004 Total | 63.00 | 0 | 6,053,400 | 0 | 6,053,400 |
| Chg from FY 2003 Orig Approp. | 0.00 | 0 | (44,800) | 0 | (44,800) |
| % Chg from FY 2003 Orig Approp. | 0.0% | | (0.7%) | | (0.7%) |

I. Public Employee Retirement System: Retirement Administration

STARS Number & Budget Unit: 183 GVFA

Bill Number & Chapter: H328 (Ch.174), H462 (Ch.380)

PROGRAM DESCRIPTION: The Public Employee Retirement System of Idaho (PERSI) administers a defined benefit retirement plan that is mandatory for all eligible state employees, school district employees, and for employees of political subdivisions which have elected to participate. PERSI also administers a defined contribution plan that provides a 401(k) plan to all members who are eligible. In years which investment earnings and total defined benefit plan assets sufficiently exceed one standard deviation reserve, the PERSI board may declare a portion of the excess earnings as gain sharing. When gain sharing is authorized, active members receive their allocation in the form of a transfer into their defined contribution account. Retirees receive a 13th check. Employers receive a credit against future contributions.

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|--------------------------------------|-------------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|---------------------------|
| BY FUND SOURCE | | | | | | |
| Dedicated | 5,260,600 | 5,055,900 | 5,461,600 | 5,491,300 | 5,417,000 | 5,417,000 |
| Percent Change: | | (3.9%) | 8.0% | 0.5% | (0.8%) | (0.8%) |
| BY EXPENDITURE CLASSIFICATION | | | | | | |
| Personnel Costs | 2,718,000 | 2,589,500 | 2,747,000 | 2,814,300 | 2,797,300 | 2,797,300 |
| Operating Expenditures | 2,449,600 | 2,313,800 | 2,614,600 | 2,577,400 | 2,520,100 | 2,520,100 |
| Capital Outlay | 93,000 | 152,600 | 100,000 | 99,600 | 99,600 | 99,600 |
| Total: | 5,260,600 | 5,055,900 | 5,461,600 | 5,491,300 | 5,417,000 | 5,417,000 |
| Full-Time Positions (FTP) | 58.70 | 58.70 | 59.00 | 59.00 | 59.00 | 59.00 |

| DECISION UNIT SUMMARY: | FTP | General | Dedicated | Federal | Total |
|--|--------------|----------------|------------------|----------------|------------------|
| FY 2003 Original Appropriation | 59.00 | 0 | 5,461,600 | 0 | 5,461,600 |
| Removal of One-Time Expenditures | 0.00 | 0 | (210,000) | 0 | (210,000) |
| FY 2004 Base | 59.00 | 0 | 5,251,600 | 0 | 5,251,600 |
| Personnel Cost Rollups | 0.00 | 0 | 50,300 | 0 | 50,300 |
| Replacement Items | 0.00 | 0 | 114,600 | 0 | 114,600 |
| Nonstandard Adjustments | 0.00 | 0 | 500 | 0 | 500 |
| FY 2004 Total Appropriation | 59.00 | 0 | 5,417,000 | 0 | 5,417,000 |
| Change From FY 2003 Original Approp. | 0.00 | 0 | (44,600) | 0 | (44,600) |
| % Change From FY 2003 Original Approp. | 0.0% | | (0.8%) | | (0.8%) |

APPROPRIATION HIGHLIGHTS: H462 funded personnel cost rollups for this and other selected agencies. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but compensation increases may be funded with agency salary savings wherever possible. Nonstandard Adjustments reflect changes in Attorney General, risk management, Controller and Treasurer fees.

| FY 2004 APPROPRIATION: | FTP | Pers. Cost | Oper Exp | Cap Out | T/B Pymnts | Lump Sum | Total |
|-----------------------------------|------------|-------------------|-----------------|----------------|-------------------|-----------------|--------------|
| D 0550-01 PERSI Administrative | 59.00 | 2,797,300 | 2,505,100 | 0 | 0 | 0 | 5,302,400 |
| OT D 0550-01 PERSI Administrative | 0.00 | 0 | 15,000 | 99,600 | 0 | 0 | 114,600 |
| Totals: | 59.00 | 2,797,300 | 2,520,100 | 99,600 | 0 | 0 | 5,417,000 |

II. Public Employee Retirement System: Portfolio Investment

STARS Number & Budget Unit: 183 GVFB, 183 GVFC(Cont), 183 GVFD(Cont)

Bill Number & Chapter: H328 (Ch.174), H462 (Ch.380)

PROGRAM DESCRIPTION: The Portfolio Investment program manages PERSI assets to realize secure long-term returns on investments while minimizing risk with a goal of providing the funds necessary to meet retirement plan obligations. Since FY 1996, the administrative costs of the Portfolio Investment Program are appropriated annually, while the remaining investment costs operate under a perpetual appropriation (Idaho Code §59-1311).

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|--------------------------------------|-------------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|---------------------------|
| BY FUND SOURCE | | | | | | |
| Dedicated | 645,900 | 427,700 | 628,900 | 644,300 | 636,400 | 636,400 |
| Percent Change: | | (33.8%) | 47.0% | 2.4% | 1.2% | 1.2% |
| BY EXPENDITURE CLASSIFICATION | | | | | | |
| Personnel Costs | 428,100 | 330,400 | 413,300 | 420,000 | 416,900 | 416,900 |
| Operating Expenditures | 199,300 | 87,000 | 201,100 | 208,800 | 204,000 | 204,000 |
| Capital Outlay | 18,500 | 10,300 | 14,500 | 15,500 | 15,500 | 15,500 |
| Total: | 645,900 | 427,700 | 628,900 | 644,300 | 636,400 | 636,400 |
| Full-Time Positions (FTP) | 4.30 | 4.30 | 4.00 | 4.00 | 4.00 | 4.00 |

| DECISION UNIT SUMMARY: | FTP | General | Dedicated | Federal | Total |
|--|-------------|----------------|------------------|----------------|----------------|
| FY 2003 Original Appropriation | 4.00 | 0 | 628,900 | 0 | 628,900 |
| Removal of One-Time Expenditures | 0.00 | 0 | (14,500) | 0 | (14,500) |
| FY 2004 Base | 4.00 | 0 | 614,400 | 0 | 614,400 |
| Personnel Cost Rollups | 0.00 | 0 | 3,600 | 0 | 3,600 |
| Replacement Items | 0.00 | 0 | 15,500 | 0 | 15,500 |
| Nonstandard Adjustments | 0.00 | 0 | 2,900 | 0 | 2,900 |
| FY 2004 Total Appropriation | 4.00 | 0 | 636,400 | 0 | 636,400 |
| Change From FY 2003 Original Approp. | 0.00 | 0 | 7,500 | 0 | 7,500 |
| % Change From FY 2003 Original Approp. | 0.0% | | 1.2% | | 1.2% |

APPROPRIATION HIGHLIGHTS: H462 funded personnel cost rollups for this and other selected agencies. No inflationary increases were funded. No funding for Change in Employee Compensation (CEC) was provided, but compensation increases may be funded with agency salary savings wherever possible. Nonstandard Adjustments reflect changes in Attorney General fees.

| FY 2004 APPROPRIATION: | FTP | Pers. Cost | Oper Exp | Cap Out | T/B Pymnts | Lump Sum | Total |
|-------------------------------|------------|-------------------|-----------------|----------------|-------------------|-----------------|--------------|
| D 0550-02 PERSI Special | 4.00 | 416,900 | 204,000 | 0 | 0 | 0 | 620,900 |
| OT D 0550-02 PERSI Special | 0.00 | 0 | 0 | 15,500 | 0 | 0 | 15,500 |
| Totals: | 4.00 | 416,900 | 204,000 | 15,500 | 0 | 0 | 636,400 |

III. Public Employee Retirement System: 401(k) Administration

STARS Number & Budget Unit: 183 GVFE

Bill Number & Chapter: H328 (Ch.174)

PROGRAM DESCRIPTION: During FY 1995 the Public Employee Retirement System of Idaho (PERSI) began administering a 401(k) program for employees of the Department of Health and Welfare and the Department of Lands. Legislation enacted in the 1995 session allowed PERSI to expand the offering of a 401(k) program to all state employees beginning in FY 1996. This 401(k) program provided a voluntary retirement savings plan for all state employees. This plan was merged with the PERSI Choice Plan effective October 1, 2001.

| PROGRAM SUMMARY: | FY 2002 Total Appr | FY 2002 Actual | FY 2003 Total Appr | FY 2004 Request | FY 2004 Gov Rec | FY 2004 Approp |
|--|-------------------------------|---------------------------|-------------------------------|----------------------------|----------------------------|---------------------------|
| BY FUND SOURCE | | | | | | |
| Dedicated | 7,700 | 3,700 | 7,700 | 0 | 0 | 0 |
| Percent Change: | | (51.9%) | 108.1% | (100.0%) | (100.0%) | (100.0%) |
| BY EXPENDITURE CLASSIFICATION | | | | | | |
| Operating Expenditures | 7,700 | 3,700 | 7,700 | 0 | 0 | 0 |
| DECISION UNIT SUMMARY: | FTP | General | Dedicated | Federal | Total | |
| FY 2003 Original Appropriation | 0.00 | 0 | 7,700 | 0 | 7,700 | |
| FY 2004 Base | 0.00 | 0 | 7,700 | 0 | 7,700 | |
| 1. Remove 401(k) Administration Pgm | 0.00 | 0 | (7,700) | 0 | (7,700) | |
| FY 2004 Total Appropriation | 0.00 | 0 | 0 | 0 | 0 | |
| Change From FY 2003 Original Approp. | 0.00 | 0 | (7,700) | 0 | (7,700) | |
| % Change From FY 2003 Original Approp. | | | (100.0%) | | (100.0%) | |

APPROPRIATION HIGHLIGHTS: One enhancement was included which eliminated the 401(k) Administration program and related funding.